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together, each helping himself by helping the others. Under American practice there has been no *esprit de corps*—each factor in commerce striving for itself regardless of, and often to the disparagement of, the others, disdaining, moreover, the slower and surer methods of developing business for the quicker way of doubtful tenure. The chief grievance of commerce is against the financial element, which when disposed to assist at all usually favors its newly created agencies or affiliated interests, ignoring and losing the invaluable experience acquired by older and established organizations.

COLOMBIA

BY EDWARD H. MASON,
Glencoe, Illinois.

While the needs for capital in Colombia in the near future are not materially different from what they have been in the years just prior to the European war, there has been a great change in the method and direction of getting these needs satisfied.

Heretofore, on account of a variety of reasons which need not be dwelt on here, the Colombian capital seeker usually went to the European market and the American capitalist on his side seemed quite willing to have these applications pass on to London or the continent. Now the realization that the United States is the principal source of supply still open to the partly developed countries of South America, but more especially the interested and sympathetic treatment given Colombian projects here, instead of the perfunctory consideration of a few years ago, has turned their capital seekers decidedly to this market.

For convenience we may divide Colombia's capital needs into those of the national government, the departments or states, the cities, and those of private concerns. The national government needs capital primarily to finance the substitution of a gold secured currency for the present non-redeemable paper money system. After this the great need of the country is for capital for the construction of public works, and of these the national government considers of first importance the improvement and sanitation of some important sea-ports. This work the government will probably handle direct and finance it with its own securities. The extension of existing railroad lines and the building of some others in the development of a general plan for a national railway system make the next great need for capital, and the national government, although directly interested by reason of its railway subsidies and its rights of reversion in the various properties when the periods of

their concessions have expired, may here limit its activities to coöperating with the existing private companies, or, as in the case of two concessions for needed railways authorized lately, may offer them first to the departments in which the lines are located, and departmental loans will have to be sought to carry through the work.

Up to recent years no attempt has been made by the larger cities of Colombia to finance their growing needs by the issuance of municipal bonds, and their public improvements have been of very slow growth in consequence. The last few years, however, have seen a great change in public opinion in this respect, and a number of the larger cities are realizing the necessity of putting in adequate modern water service with proper sewerage and street paving, are planning to build or are acquiring their street railway systems, and will be in the market for the necessary financing for these improvements.

As regards capital for private uses, the lack of straight banking capital in Colombia is a great handicap to the country, and there is much need of capital for long-term mortgage loans on city and farm property. At present banking capital is limited and discount rates very high. This limits commercial enterprise and is prohibitive for real estate loans, as is also the fact that it is difficult to secure anything but short-term accommodations. Loans on real estate at anything like reasonable rates and for longer terms would stimulate building operations of a much needed character in the cities and would enable many a cattle raiser to better his stock or to put some of his big grazing tracts to a more profitable use.

COSTA RICA

By WALTER PARKER,

General Manager, New Orleans Association of Commerce; Chairman Permanent Committee on Costa Rica, Pan American Financial Conference.

An abundance of water power, undeveloped mines of great wealth, agricultural possibilities of wonderful potentiality and adequate shipping facilities should enable Costa Rica to assume a mortgage far beyond the power of the average Central American republic. The natural wealth of the republic has hardly been touched.

The effect of the European war is similar to that felt by the other republics. One of the results is the hastily formed Banco Internacional, founded by the government to meet the unusual financial conditions created. This is a bank of issue, having a capital consisting of Costa Rican treasury bonds. The reserve